



SHERYL L. SPILLER  
Acting Director

County of Los Angeles  
**DEPARTMENT OF PUBLIC SOCIAL SERVICES**

12860 CROSSROADS PARKWAY SOUTH • CITY OF INDUSTRY, CALIFORNIA 91746  
Tel (562) 908-8400 • Fax (562) 908-0459

Board of Supervisors

GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

October 11, 2011

#17 OCTOBER 18, 2011

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Dear Supervisors:

**RECOMMENDATION TO APPROVE AN INCREASE TO THE  
LOS ANGELES COUNTY PUBLIC AUTHORITY HOURLY RATE  
(ALL DISTRICTS – 3 VOTES)**

**SUBJECT**

The Department of Public Social Services (DPSS) plans to request that the State increase the Public Authority (PA) hourly rate. The PA rate determines the State's financial participation in the In-Home Supportive Services (IHSS) program. Specifically, DPSS plans to request an increase in the PA hourly rate for health benefits from \$0.65 to \$0.75 per hour worked. Approval of the increased PA rate would maintain the status quo with no net County cost (NCC) impact. Conversely, failure to request an increase of the PA rate would result in the County being responsible for the 'State share' of health benefits costs in excess of \$0.65 per hour, which is estimated to be \$5.4 million NCC in Fiscal Year (FY) 2011-12.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve an increase to the PA hourly rate for Los Angeles County from \$10.60 to \$10.70. The new PA hourly rate will increase the cost paid by the State for health benefits from \$0.65 per hour to \$0.75 per hour. The PA hourly rate also includes IHSS provider wages of \$9.00, payroll taxes of \$0.90, and PA operation costs of \$0.05 per hour, which will not change. The increased hourly cost for health benefits is needed to continue supporting the Personal Assistance Services Council-Service Employees International Union (PASC-SEIU) Homecare Workers Health Care Plan for eligible IHSS providers. Upon the approval of your Board, the Department of Public Social Services (DPSS) will submit a formal request to the State for the increased cost for health benefits.
2. Delegate authority to the Acting Director of DPSS, or designee, to make any necessary changes to the PASC agreement or the California Department of Health Care Services (CDHCS) budget

documents in order to implement the new State health benefits hourly cost.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The increase in cost for health benefits is needed to have sufficient funding to continue supporting the PASC-SEIU Homecare Workers Health Care Plan. Welfare and Institutions Code Section 12306.1 requires that each County obtain approval of the new PA hourly rate from the Board of Supervisors, including any funding to cover the County's and State's share of wages and related benefits, before an increase can be processed. The PA hourly rate increase will not take effect until CDHCS has approved the increase. The Department anticipates that the State will approve the hourly health benefit cost increase because Los Angeles County is well within the current State maximum participation for wages and benefits.

### **Implementation of Strategic Plan Goals**

The recommended action is consistent with the principles of the Countywide Strategic Plan Goal #1: Operational Effectiveness, maximize the effectiveness of processes, structure, and operations to support timely delivery of customer-orientated and efficient public services.

### **FISCAL IMPACT/FINANCING**

There is no fiscal impact to the County. There is no increase to the net County cost as funding to support the County's share of the increase in health benefits hourly cost is within the existing budgeted expense and has been included in the FY 2011-12 Adopted Budget.

Currently, State financial participation permits the Counties to have a maximum combined wage and health benefits hourly cost of up to \$12.10 (not including administrative costs and payroll taxes). Counties have the option to decide how much of the \$12.10 to use for wages and how much to use for health benefits. Los Angeles County currently has approval to use \$9.00 for wages and \$0.65 for health benefits, well within the State maximum hourly cost of \$12.10. The current request would increase the health benefits cost from \$0.65 per hour to \$0.75 per hour and maintain the wage at \$9.00 per hour, still well within the State's \$12.10 maximum combined wage and health benefit costs.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On September 14, 1999, Los Angeles County entered into an Agreement (Number 72426) with the PASC pursuant to Los Angeles County Code 3.45.130 to specify the purpose, scope and nature of the agreement, the roles and responsibilities of each party including provisions which ensure compliance with all applicable State and federal labor laws, and compliance with all statutory and regulatory provisions applicable to the delivery of IHSS. On January 8, 2002, Amendment Number 2 was approved, initiating the Health Care Plan. On June 22, 2004, Amendment Number 4 was approved to add general contract provisions and change the PASC's reimbursement methods as well as increase funding for their administrative cost associated with the Health Care Plan. On March 30, 2007, Amendment Number 11 was approved, increasing the IHSS providers' hourly wage from \$8.45 to \$9.00 per hour. The current proposal does not change the hourly wage paid to IHSS providers.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

It is anticipated that the IHSS Provider Enrollment will increase in FY 2011-12 by approximately six percent. The recommended action will ensure sufficient funding to support the PASC-SEIU Homecare Workers Health Care Plan and meet the needs of its growing enrollment of eligible providers.

**CONCLUSION**

Upon approval and execution, the Executive Officer, Board of Supervisors, is requested to return one adopted stamped Board letter to the DPSS.

Respectfully submitted,



SHERYL L. SPILLER

Acting Director

SLS:do

Enclosures

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors  
Deputy Chief Executive Officer

**IN-HOME SUPPORTIVE SERVICES PROGRAM PUBLIC  
AUTHORITY/NONPROFIT  
CONSORTIUM RATE**

To: California Department of Social Services  
Adult Programs Branch  
744 P Street, MS 19-96  
Sacramento, CA 95814

COUNTY: Los Angeles
CONTACT NAME: Gail Washington, IHSS Program Manager (562) 908-3055
PA NAME: Los Angeles County Personal Assistance Services Council (PASC)
TELEPHONE & FAX NUMBER: 818-206-7000 818-206-8000 FAX
ADDRESS: Greg Thompson, Executive Director 4730 Woodman Avenue, Suite 405 Sherman Oaks, CA 91423

Please address questions regarding this form to the Adult Programs Fiscal and Administrative Unit, Adult Programs Branch at (916) 229-4582.

Please complete the budget narrative below and attach supporting documentation explaining how each component of the rate was determined. The total Public Authority (PA) and Nonprofit Consortium (NPC) rate should include a rate for services (wage and benefits) and a rate for administrative costs. The total rate for wages and benefits should be broken down to include an hourly wage, payroll taxes, health and non-health benefits. The State is legally authorized to share only in the costs of individual health benefits for IHSS providers, but these costs may be eligible for Title XIX reimbursement.

- The state and federal governments will not participate in a PA or NPC rate in excess of 200% of minimum wage.
- The state will not participate in an hourly wage in excess of minimum wage unless otherwise provided for in the Annual Budget Act or appropriated by statute.
- The state will not participate in increases to wages or employment taxes, or increases or expansions of benefits negotiated or agreed to by a PA or NPC unless provided for in the Annual Budget Act or appropriated by statute.
- No increase in wages or benefits negotiated or agreed to by a PA or NPC shall take effect until it has been approved by the state or unless provided for in the Annual Budget Act or appropriated by statute.

**BUDGET NARRATIVE**

FY 2011-2012

PA/NPC Hourly Rate:	1	<b>\$10.70</b>
PA/NPC Hourly Administrative Cost:	2	\$0.05
Hourly Services Cost: Total	3	\$10.65
Hourly Wage:	4	\$9.00
Health Benefits:	5a	<b>\$0.75</b>
Non-Health Benefits (if any)	5b	0
Payroll Taxes (FUTA, SUI, FICA)	6	\$0.90

Comments (Optional): The proposed PA rate increase is needed to continue supporting the growing number of providers enrolling in the health plan.